

TRADING PARTICIPATING MEMBERS', EXECUTING PARTICIPATING MEMBERS' AND GENERAL PARTICIPATING MEMBERS' CIRCULAR

Date : 3 July 2017

No : 1 of 2017

AMENDMENTS TO THE RULES OF BURSA MALAYSIA BONDS SDN. BHD. ("RULES OF BURSA BONDS") IN RELATION TO REGULATED SHORTSELLING FOR CORPORATE BONDS AND EXTENSION OF TRADE REPORTING TIME

1. INTRODUCTION

- 1.1 Bursa Malaysia Bonds Sdn. Bhd. ("**Bursa Bonds**") has amended the Rules of Bursa Bonds in relation to regulated shortselling for corporate bonds and the extension of trade reporting time.
- 1.2 The amendments also include the introduction of a new Directive on Trade Reporting and Confirmation of Off ETP Transactions on Bursa Bonds (Directive No. 700-001) ("**the new Directive**").

2. RULE AMENDMENTS

- 2.1 The amendments to the Rules of Bursa Bonds are as follows:
 - (a) Amendments are made to Rule 505.1 to expand the scope of shortselling to allow the regulated shortselling of corporate bonds by Trading Participating Members and Executing Participating Members on the Electronic Trading Platform ("ETP") pursuant to the relevant guidelines issued by the Securities Commission Malaysia under the Capital Markets and Services Act 2007. Pursuant to Rules 503.2 and 701.1(2), a Trading Participating Member or Executing Participating Member which conducted regulated short selling of corporate bonds outside of the ETP must report such transactions on the ETP.
 - (b) Amendments are made to Rules 702.1 and 703.1 to remove the timing for reporting Off ETP transactions from the rules and to prescribe the same in the new Directive. The afternoon session timing for trade initiation will be extended to 5:45 pm and for trade confirmation it will be extended to 6:00 pm.

- 2.2 The detailed amendments to the Rules of Bursa Bonds are as set out in **Annexure 1**.

3. NEW DIRECTIVE

- 3.1 The New Directive No. 700-001 on Trade Reporting and Confirmation of Off ETP Transactions on Bursa Bonds is introduced to prescribe the trade reporting hours and trade confirmation hours pursuant to Rule 702.1, as well as the timeframe for trade reporting and confirmation pursuant to Rule 703.1.
- 3.2 The New Directive is set out in **Annexure 2**.

4. EFFECTIVE DATE

- 4.1 The amendments to the Rules of Bursa Bonds and the New Directive as set out in paragraphs 2 and 3 above will take effect on **10 July 2017** (“Effective Date”).

5. CONTACT PERSONS

In the event of any queries in relation to the above matter, kindly contact the following persons:

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Regulation